

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

STARRED QUESTION NO:329

ANSWERED ON:14.12.2006

TRANSPORTATION OF GAS

Kathiria Dr. Vallabhbhai;Pathak Shri Harin

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the norms/criteria laid down for fixing transportation charges for transporting gas in different areas ;
- (b) whether some State Governments have demanded changes in the existing policy and requested for some benefits because of lower cost for transporting gas over shorter distance ;
- (c) if so, the details thereof; and
- (d) the action taken by the Union Government thereon ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 329 BY DR. VALLABHBHAI KATHIRIA AND SHRI HARIN PATHAK MPs REGARDING TRANSPORTATION OF GAS

(a): Transportation charge is calculated over the period of contract and is specific to the investment and economic life of the pipeline/gas source. Its calculation is based on estimated capital cost, O& M expenses, estimated manpower cost, period of contract, reasonable rate of return, etc.

However, in case of trunk lines, namely, Hazira-Vijaipur-Jagdishpur (HVJ) pipeline and Dahej-Vijaipur pipeline (DVPL), a combined single tariff of Rs.831/MSCM, with escalation formula, is being followed w.e.f. 1-6-2006. The tariff for connectivity of Gujarat State Petronet Limited (GSPL) to DVPL has been kept at Rs. 280/MSCM for the benefit of customers in Gujarat.

(b) & (c): Gujarat State Petroleum Corporation Limited (GSPCL) requested that full DVPL transmission charge should not be charged from Gujarat State Petronet Limited (GSPL) for gas flowing through the GAIL pipeline network before entering the GSPL pipeline network. However no such request was received from the Government of Gujarat.

Transmission Corporation of Andhra Pradesh Limited (APTRANSCO) requested that transportation tariff for power projects in the KG Basin network should be reduced. This was followed by request from the Government of Andhra Pradesh as well.

(d): In order to benefit the customers of Gujarat, the Government decided, w.e.f. 1-6-06, that the combined single tariff of Rs. 831/MSCM

for use of DVPL need not be paid by GSPL's customers and the connectivity charges of GSPL to DVPL were kept at Rs. 280/MSCM only.

The Government has revised the transportation tariff of KG Basin gas supply network, w.e.f. 1.11.2006, for all the customers on these networks as follows:

Tatipaka - Kakinada - Kovuur network Rs. 413/MSCM Tatipaka Kondapalli network Rs. 1,056/MSCM